

AMENDED IN ASSEMBLY APRIL 7, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 991

Introduced by Assembly Member Papan

February 25, 1999

An act to add Section 709.7 to the Public Utilities Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

AB 991, as amended, Papan. Internet access.

(1) Under the Public Utilities Act, the Public Utilities Commission has the authority to regulate public utilities, including telephone corporations.

This bill would enact the California High Speed Internet Access Act of 1999. *The bill would require the commission to examine, as specified, the technical feasibility of requiring incumbent local exchange carriers, as defined, to permit interconnection by competitive data local exchange carriers, as defined, at any technically feasible point to permit those competitive carriers to provide broadband data services over telephone lines with voice services provided by the incumbent local exchange carrier.* The bill would require the commission, not later than January 31, 2000, *if it finds that interconnection to be technically feasible*, to establish rules and rates for line sharing that will allow competitive data carriers to provide high bandwidth services over telephone lines ~~simultaneously with the local exchange service provided by the telephone service provider~~ *voice services provided by*

the incumbent local exchange carrier, as prescribed. Because, under the act, a violation of those rules would be a crime, the bill would impose a state-mandated local program by creating a new crime. The bill would make related legislative findings and declarations.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature hereby finds and
2 declares all of the following:

3 (a) The Legislature has encouraged and continues to
4 encourage the rapid deployment of advanced
5 telecommunications services and capabilities to all
6 Californians. In effect, those persons excluded from
7 high-speed networks today will find themselves excluded
8 from the economic opportunities of tomorrow.

9 (b) High bandwidth connections between the
10 telecommunications network and end users in California
11 facilitate the availability of important new
12 telecommunications services and capabilities, including
13 telemedicine, distance learning, telecommuting,
14 high-speed Internet access, and video telephony.

15 (c) The California economy will benefit significantly
16 from expanded competition and availability of high
17 bandwidth services provided over the telephone network
18 to individual consumers, small and medium sized
19 businesses, and educational facilities.

20 (d) Expanded competition and availability for high
21 bandwidth services can add over \$64,000,000,000 to gross
22 state output and create over 600,000 new jobs in
23 California by the end of ~~the year~~ 2001.



1 (e) In order to ensure that California consumers will
2 benefit from broad availability of high-speed access,
3 affordable pricing, and the highest quality of consumer
4 service, the Legislature must act to preserve freedom of
5 choice for consumers in this rapidly emerging market.

6 (f) The total control of telephone lines serving
7 California homes and small businesses by existing
8 telephone companies stands as a critical barrier to
9 competition and the wide-scale deployment of
10 affordable, high bandwidth data services. Telephone
11 lines can carry, simultaneously, both voice service and
12 high bandwidth data services from competing carriers.
13 *The Legislature recognizes that the provision of*
14 *broadband data services over existing local telephone*
15 *lines is a market separate from voice services provided*
16 *over those same lines. However, existing telephone*
17 *service providers will not allow competitive data local*
18 *exchange carriers to use existing telephone lines in order*
19 *to provide high bandwidth data services at low cost to*
20 *California residential consumers.*

21 (g) It is therefore the intent of the Legislature that the
22 Public Utilities Commission ~~establish rules for~~ *examine*
23 *the technical feasibility of, and establish rules for, “line*
24 *sharing” that will permit competitive data carriers to*
25 ~~*provide high bandwidth data services over telephone*~~
26 ~~*lines simultaneously with voice services provided by*~~
27 ~~*existing telephone service providers.*~~ *sharing” that will*
28 *require incumbent local exchange carriers in this state to*
29 *permit competitive data local exchange carriers to*
30 *provide high bandwidth data over telephone lines with*
31 *voice services provided by incumbent local exchange*
32 *carriers. It is the further intent of the Legislature that the*
33 *Public Utilities Commission require incumbent local*
34 *exchange carriers to provide network access to*
35 *competitive data local exchange carriers at rates, and on*
36 *terms and conditions, that are nondiscriminatory and no*
37 *less favorable than those rates and terms and conditions*
38 *the incumbent local exchange carrier provides to itself or*
39 *an affiliate.*

1 SEC. 2. Section 709.7 is added to the Public Utilities
2 Code, to read:

3 709.7. (a) This section shall be known as and may be
4 cited as the California High Speed Internet Access Act of
5 1999.

6 (b) *The commission, before establishing any rules and*
7 *rates for line sharing, shall examine the technical*
8 *feasibility of requiring incumbent local exchange carriers*
9 *to permit interconnection by competitive data local*
10 *exchange carriers at any technically feasible point to*
11 *permit those competitive data local exchange carriers to*
12 *provide broadband data services over telephone lines*
13 *with voice services provided by the incumbent local*
14 *exchange carrier.*

15 (c) *If the commission finds that interconnection as*
16 *described in subdivision (b) is technically feasible, the*
17 *commission shall establish rules and rates for line sharing*
18 *that will allow competitive data local exchange carriers to*
19 *provide high bandwidth services over telephone lines*
20 ~~*simultaneously with the local exchange service provided*~~
21 ~~*by the telephone service provider.*~~

22 ~~(e) The rules described in subdivision (b) shall require~~
23 ~~the carriers to provide to competitive data carriers access~~
24 ~~to network infrastructure on a nondiscriminatory basis~~
25 ~~for high bandwidth shared line data services.~~

26 ~~(d) For the purpose of this section, network~~
27 ~~infrastructure includes, but is not limited to, colocation~~
28 ~~space, power, heating, ventilation, and air conditioning~~
29 ~~systems, and connectivity.~~

30 ~~(e) with the voice services provided by the incumbent~~
31 ~~local exchange carrier.~~

32 (d) *The commission shall require incumbent local*
33 *exchange carriers to provide to competitive data local*
34 *exchange carriers access to network infrastructure at*
35 *rates, and on terms and conditions, that are*
36 *nondiscriminatory and no less favorable than those rates*
37 *and terms and conditions that the incumbent local*
38 *exchange carrier provides to itself or an affiliate.*

39 (e) *As used in this section, the following terms have*
40 *the following meanings:*

1 (1) *‘Incumbent local exchange carrier’* has the same
2 meaning as that term is defined in Section 251(h)(1) of
3 Title 47 of the United States Code.

4 (2) *“Competitive data local exchange carrier”* has the
5 same meaning as the term *“local exchange carrier,”* as
6 defined in Section 153(26) of Title 47 of the United States
7 Code.

8 (f) The commission shall, through its expedited
9 rulemaking procedures, establish rules and rates for line
10 sharing pursuant to subdivision (c) in the most
11 expeditious manner possible and, in any event, not later
12 than January 31, 2000.

13 SEC. 3. No reimbursement is required by this act
14 pursuant to Section 6 of Article XIII B of the California
15 Constitution because the only costs that may be incurred
16 by a local agency or school district will be incurred
17 because this act creates a new crime or infraction,
18 eliminates a crime or infraction, or changes the penalty
19 for a crime or infraction, within the meaning of Section
20 17556 of the Government Code, or changes the definition
21 of a crime within the meaning of Section 6 of Article
22 XIII B of the California Constitution.

